

Message Text

SECRET

PAGE 01 STATE 171056
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

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APPROVED BY EUR:GSVEST

EUR/NE:RLFUNSETH

T:WHMARSH

S/S-O:JETHYDEN

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FM SECSTATE WASHDC

TO AMEMBASSY STOCKHOLM IMMEDIATE

S E C R E T STATE 171056

EXDIS

E.O. 11652: XGDS-1

TAGS: PEPR, MASS, SW, IN, US

SUBJECT: SALE OF SWEDISH VIGGEN AIRCRAFT TO INDIA

REF: STOCKHOLM 2616

1. CHARGE BORGLUND SAW VEST ON URGENT INSTRUCTIONS NOON JULY 6. BORGLUND SAID AS A RESULT OF A SWEDISH CABINET MEETING THAT MORNING ON VIGGEN QUESTION HE HAD BEEN INSTRUCTED TO REQUEST A MEETING AS SOON AS POSSIBLE BETWEEN COMMERCE MINISTER BURENSTAM LINDER AND SECRETARY VANCE TO DISCUSS THE VIGGEN SALE.

2. IN RESPONSE VEST NOTED THAT BORGLUND HAD AN APPOINTMENT IN THE LATE AFTERNOON WITH UNDER SECRETARY BENSON AND INDICATED THAT THE UNDER SECRETARY WOULD BE GIVING BORGLUND THE FINAL USG DECISION ON THE VIGGEN QUESTION.

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VEST ADDED THAT THE MATTER HAD BEEN DISCUSSED AT LENGTH WITHIN THE USG AND CONSIDERED VERY CAREFULLY, WITH THE FINAL DECISION TAKEN AT THE CABINET LEVEL. HE SUGGESTED THAT THE GOS WOULD WANT TO CONSIDER ITS REQUEST FOR A MEETING WITH THE SECRETARY IN THE LIGHT OF THAT DECISION. BORGLUND AGREED, INDICATING HE EXPECTED THE DECISION TO BE NEGATIVE.

3. AT MEETING WITH UNDER SECRETARY BORGLUND WAS ACCOMPANIED BY POLCOUNS BERGQUIST; VEST ALSO ATTENDED. THE UNDER SECRETARY STATED SHE HAD BEEN ASKED BY THE SECRETARY TO REAFFIRM WHAT HE HAD TOLD THE SWEDISH FOREIGN MINISTER A FEW WEEKS AGO, THAT FOR FOREIGN POLICY REASONS WE ARE UNABLE TO APPROVE THE SALE. WE REGRET THIS VERY MUCH. WE HAVE SPENT A GREAT DEAL OF TIME CONSIDERING THE MATTER, SINCE WE WILL NOT SELL THIS TYPE OF AIRCRAFT TO PAKISTAN WE CANNOT BE INVOLVED IN A SIMILAR SALE TO INDIA.

4. BORGLUND RESPONDED THAT HIS GOVERNMENT WOULD RECEIVE THE DECISION WITH GREAT REGRET IN VIEW OF ITS RELATIONSHIP TO THE FUTURE OF THE SWEDISH AIRCRAFT INDUSTRY. HE ALSO NOTED THE SWEDISH GOVERNMENT HAD DECIDED THIS MORNING TO SEEK A HIGH-LEVEL CONTACT WITH THE USG ON THE MATTER, BASED ON THE ENCOURAGING RESULTS OF A TRIP BY THE MINISTER OF COMMERCE TO INDIA.

5. THE UNDER SECRETARY RESPONDED THAT SHE DOUBTED THAT A HIGH-LEVEL MEETING COULD AFFECT THE DECISION, SINCE OUR POLICY IS VERY CLEAR: WE CANNOT APPROVE A THIRD COUNTRY TRANSFER UNLESS WE COULD MAKE THE SAME SALE OURSELVES. VEST ADDED THAT IT SHOULD BE MADE CLEAR THE ACTION BY BOTH GOVERNMENTS THE SAME DAY WAS A SECRET

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COINCIDENCE; OUR DECISION WAS MADE SEVERAL DAYS AGO.

6. WHEN BERGQUIST RAISED THE POSSIBILITY OF CHANGE IN US POLICY, THE UNDER SECRETARY NOTED THE POLICY IN QUESTION WAS ADOPTED SEVERAL YEARS BEFORE THE PRESENT ADMINISTRATION AND IT WOULD NOT BE REALISTIC TO EXPECT CHANGE. VEST NOTED THE PROBLEM OF PAKISTAN-INDIA RELATIONS HAS BEEN A PARTICULARLY GRAVE AND DELICATE ISSUE.

7. BERGQUIST SUGGESTED THE POLITICAL SITUATION IN SOUTH ASIA HAS CHANGED MARKEDLY IN THE LAST THREE YEARS, TO WHICH VEST REJOINED THAT OUR POLICY HAS BECOME EVEN MORE RESTRICTIVE IN THE LAST ONE AND ONE-HALF YEARS. THE UNDER SECRETARY ADDED THAT WE HAD THOUGHT VERY CAREFULLY ABOUT AIRCRAFT FOR PAKISTAN BECAUSE IT WAS AT A DISADVANTAGE COMPARED TO INDIA; BUT HAD NEVERTHELESS DISAPPROVED THE SALE.

8. BORGLUND PROBED AS TO THE LEVEL AT WHICH THE DECISION HAD BEEN TAKEN AND WAS TOLD IT HAD BEEN TAKEN AT CABINET LEVEL, BY THE CABINET OFFICERS CONCERNED, AND ALSO DIS-

CUSSED AT THE HIGHEST LEVEL.

9. THE UNDER SECRETARY HANDED BORGLUND THE FOLLOWING
"NON-PAPER":

BEGIN TEXT. AFTER CAREFUL CONSIDERATION AND REVIEW THE
SECRETARY HAS DETERMINED THAT THE USG CANNOT APPROVE
THE GOVERNMENT OF SWEDEN'S REQUEST FOR THE SALE AND
COPRODUCTION IN INDIA OF THE VIGGEN AJ-37 AIRCRAFT.

-- THIS ADMINISTRATION HAS ATTEMPTED TO MAINTAIN A
CONSISTENT POLICY OF DISCOURAGING SALES OF STRIKE AIR-
CRAFT TO SOUTH ASIA.

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-- AT THE SAME TIME, WE HAVE ALSO ATTEMPTED TO MAINTAIN
TRADITIONAL US SUPPORT FOR A STRONG SWEDISH DEFENSE
CAPABILITY, AND WE RECOGNIZE THE CONTRIBUTION OF THE
VIGGEN TO THAT CAPABILITY.

-- HOWEVER, AN APPROVAL OF THIS SALE WOULD BE INCONSISTENT
WITH OUR ARMS TRANSFER RESTRAINT POLICY.

-- THE LEGAL AND POLICY STANDARD WE APPLY TO RETRANSFERS
OF US EQUIPMENT OR COMPONENTS IS WHETHER THE US ITSELF
WOULD MAKE THE TRANSFER.

-- THE US WOULD NOT SELL EQUIVALENT AIRCRAFT TO INDIA
OR PAKISTAN. AS YOU KNOW WE DENIED THE SALE OF THE A-7
TO PAKISTAN AND REFUSED AN INDUSTRY REQUEST FOR A-4
AIRCRAFT TO INDIA.

-- AN EXCEPTION WOULD UNDERCUT OUR LONGSTANDING POLICY
OF ARMS RESTRAINT ON THE SUBCONTINENT AND DISTURB
REGIONAL STABILITY.

-- WE HOPE THAT SWEDEN WILL UNDERSTAND THAT THIS
DECISION, BASED WHOLLY UPON PRINCIPLE, WAS AN ESPECIALLY
DIFFICULT ONE BY VIRTUE OF OUR FRIENDSHIP AND SUPPORT
FOR SWEDEN'S NATIONAL INTERESTS. END TEXT. VANCE

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ORIGIN SS-15

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DRAFTED BY NEA/INS:BEPERCIVAL

NEA:RNEUMANN

S/S-O:SGOLDSMITH

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FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI PRIORITY

AMEMBASSY ISLAMABAD PRIORITY

S E C R E T STATE 171056

EXDIS

FOLLOWING REPEAT STATE 171056 ACTION STOCKHOLM JULY 7.

QUOTE E C R E T STATE 171056

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9. THE UNDER SECRETARY HANDED BORGLUND THE FOLLOWING "NON-PAPER":

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COPRODUCTION IN INDIA OF THE VIGGEN AJ-37 AIRCRAFT.

-- THIS ADMINISTRATION HAS ATTEMPTED TO MAINTAIN A CONSISTENT POLICY OF DISCOURAGING SALES OF STRIKE AIRCRAFT TO SOUTH ASIA.

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-- HOWEVER, AN APPROVAL OF THIS SALE WOULD BE INCONSISTENT WITH OUR ARMS TRANSFER RESTRAINT POLICY.

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-- WE HOPE THAT SWEDEN WILL UNDERSTAND THAT THIS DECISION, BASED WHOLLY UPON PRINCIPLE, WAS AN ESPECIALLY DIFFICULT ONE BY VIRTUE OF OUR FRIENDSHIP AND SUPPORT FOR SWEDEN'S NATIONAL INTERESTS. . END TEXT. VANCE
UNQUOTE VANCE

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Draft Date: 07 jul 1978
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Disposition Action: RELEASED
Disposition Approved on Date:
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